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REVIEW OF SECTORAL CLUSTERS: PROTECTION OF THE ATMOSPHERE AND PROTECTION OF THE OCEANS AND ALL KINDS OF SEAS

Report of the Ad Hoc Inter-sessional Working Group on Sectoral Issues

(New York, 26 February-1 March 1996)

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INTRODUCTION

1. The report of the Ad Hoc Inter-sessional Working Group on Sectoral Issues on its meeting in New York from 26 February to 1 March 1996 is not a negotiated text. In accordance with the expert nature of the Working Group and the functions assigned to it by the Commission on Sustainable Development, the report focuses ** key issues and conclusions, and suggests possible recommendations and policy options for consideration by the Commission at its fourth session.

2. Based on detailed discussion resulting in a broad convergence of views, the Working Group made a number of conclusions and recommendations. Due to the time constraints under which it had to function, however, some issues could not be discussed in detail; in such cases, a Chairman's summary of the debate appears in bold print.

I. MAJOR RECOMMENDATIONS AND INTERLINKAGES

A. Major recommendations

3. Several key recommendations were suggested by the Working Group for the consideration and approval of the Commission on Sustainable Development, as described below.

1. Protection of the oceans, all kinds of seas, including enclosed and semi-enclosed seas, and coastal areas and the protection, rational use and development of their living resources

4. The Working Group welcomed the successful outcome of the Intergovernmental Conference to Adopt a Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (Washington, D.C., 23 October-3 November 1995).

5. The Working Group recognized - as stated in the Washington Declaration adopted by the Conference - participating Governments' intention to act to develop, in accordance with the provisions of the Global Programme of Action, adopted by the Conference, a global, legally binding instrument for the reduction and/or elimination of emissions, discharges and, where appropriate, the elimination of the manufacture and use of persistent organic pollutants that had been identified in decision 18/32 of the Governing Council of the United Nations Environment Programme (UNEP). The nature of the obligations undertaken must be developed, recognizing the special circumstances of countries in need of assistance. Particular attention should be devoted to the potential need for the continued use of certain persistent organic pollutants to safeguard human health, sustain food production and alleviate poverty in the absence of alternatives, as well as to the difficulty of acquiring substitutes and transferring technology for the development and/or production of such substitutes.

6. In accordance with the Washington Declaration, the Working Group noted Governments' intention to give priority to the treatment and management of waste water and industrial effluents, as part of the overall management of water resources, especially through the installation of environmentally and economically appropriate sewage systems, including by studying mechanisms to channel additional resources for that purpose expeditiously to countries in need of assistance.

7. The Working Group agreed to transmit to the Commission at its fourth session elements for further negotiation that could be included in a draft resolution on institutional arrangements for the implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, to be further considered for approval by the General Assembly at its fifty-first session (see annex I).

8. As to marine living resources, the Working Group agreed that prompt implementation of recently adopted international instruments was necessary in order to (a) address the problems of overcapacity, as well as of overfishing in the high seas and in areas under national jurisdiction; (b) rebuild fish stocks throughout their entire range of distribution; (c) minimize wasteful fisheries practices and protect vital habitats; (d) protect fisheries from harmful sea- and land-based activities; (e) strengthen/create regional and subregional management organizations and arrangements; (f) ensure a high level of compliance; (g) increase consultation at all levels; (h) implement the precautionary approach (where and when necessary), based on the best scientific advice available; and (i) ensure the continued viability of small-scale and artisanal fisheries. It therefore recommended that, without prejudice to their rights and obligations under international law, States that had not yet done so should be called upon to sign, ratify, and/or implement the United Nations Convention on the Law of the Sea, the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks of 1995, and the Code of Conduct for Responsible Fisheries of 1995.

9. The subject of technology transfer, as set forth in chapter 34 of Agenda 21, was a key element in the attainment of sustainable development. The sharing of scientific knowledge and, more specifically, the transfer of environmentally sound technology, including on concessional and preferential terms, in accordance with the provisions of chapter 34, were crucial instrumentalities for achieving the objectives of Agenda 21. The importance of strengthening capacity-building, particularly between developed and developing countries, was also stressed.

10. National efforts in developing countries to mobilize financial resources for the full and effective implementation of Agenda 21, including the chapters under review, must be supported by the international community. It was imperative that all financial recommendations and commitments of Agenda 21, including those related to the provision to the developing countries of adequate and predictable, new and additional financial resources, be implemented. The need for partnership for sustainable development among all countries, as well as

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better cooperation and coordination among national institutions, international organizations, including international financial institutions, the private sector and non-governmental organizations, in order to make more efficient use of resources, were emphasized. The meeting of the Ad Hoc Inter-sessional Working Group on Finance of the Commission (New York, 4-8 March 1996) would provide an important opportunity to further the discussion on that crucial matter. The Working Group welcomed the adoption of the operational strategy for international waters of the Global Environment Facility.

2. Protection of the atmosphere

11. As to the protection of the atmosphere, the Working Group recommended that Governments and organizations be urged to promote efficiency improvement in energy production, conversion, distribution and use, and to promote the use of renewable sources of energy. It also recommended that measures be taken to improve efficiency in transport services by integrating land use, urban development and transport planning, the use of alternative and lead-free fuels, technological innovation in design of vehicles and the promotion of modal shifts towards mass transportation.

12. The Working Group recommended that in order to ensure compliance with measures agreed upon to phase out the use of ozone depleting substances, Governments and organizations take effective measures against illegal trade in those substances.

B. Interlinkages

13. A number of issues common to both chapters of Agenda 21 under review - chapter 9, "Protection of the atmosphere", and chapter 17, "Protection of the oceans, all kinds of seas, including enclosed and semi-enclosed seas, and coastal areas and the protection, rational use and development of their living resources", emerged during the discussion. Both chapters were also seen to have interlinkages with several other chapters of Agenda 21, in particular chapters 2, 4, 6, 10, 15, 16, 18, 33 and 34. Indeed, the broad-based nature of chapters 9 and 17 could be seen to encompass all the important aspects of sustainable development.

14. The Working Group stressed the close interrelationship between the protection of oceans and all kinds of seas and the protection of the atmosphere in view of the exchange of matter and energy that took place between the atmosphere and oceans and their influence on marine and terrestrial ecosystems. An integrated approach to protective measures was therefore called for in order to effectively address the problems of adverse impacts of human activity on the oceans and the atmosphere.

II. RECOMMENDATIONS RELATING TO CHAPTER 17 OF AGENDA 21, "PROTECTION OF THE OCEANS, ALL KINDS OF SEAS, INCLUDING ENCLOSED AND SEMI-ENCLOSED SEAS, AND COASTAL AREAS AND THE PROTECTION, RATIONAL USE AND DEVELOPMENT OF THEIR LIVING RESOURCES"

A. General considerations

15. The Working Group took note of the proposals contained in the report of the Secretary-General (E/CN.17/1996/3), which it considered with interest, although it expressed a number of reservations and also suggested additional recommendations for the consideration of the Commission. Under programme areas C and D (Living marine resources, see paras. 31-34 below) and F (International cooperation and coordination, see paras. 36-41 below), alternative language was proposed by informal drafting groups of interested delegations (see annexes II and III for alternative texts, which the Working Group did not have sufficient time to discuss).

16. The Working Group reaffirmed the common aim of promoting the sustainable development, conservation and management of the coastal and marine environments. Action at the national, subregional and regional levels must play the prime role, but effective arrangements were needed at the global level for establishing coherent priorities for action. Decisions on questions affecting the marine environment must be the result of an integrated approach, taking into account all relevant environmental, social and economic factors, including the special requirements of developing countries, as well as the best available scientific evidence. To that end, collaboration should be promoted between the holders of such information and those concerned with the formulation of policies, including national policy makers. Such collaboration should reflect a precautionary approach, taking into account the uncertainties in the information available and the related risks for people and resources. International arrangements for decision-making must recognize the importance of financial resources, the transfer of adequate technology, capacity-building, resource ownership and management, and the exchange of information and know-how, particularly between developing and developed countries.

17. The fact that there has been considerable progress in recent intergovernmental negotiations related to oceans and seas was welcomed with satisfaction by the Working Group. The entry into force in 1994 of the United Nations Convention on the Law of the Sea was a fundamental achievement and provided the framework for the protection of the marine environment. Other recent successes included, inter alia, the Agreement to Promotion Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas; the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks; the Code of Conduct for Responsible Fisheries; and the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities. The Declaration of Barbados and the Programme of Action of the Global Conference on the Sustainable Development of Small Island Developing States had also followed up on recommendations contained in chapter 17 of Agenda 21. The Working Group also welcomed the Jakarta Mandate on Coastal and Marine Biodiversity, which was

adopted at the second session of the Conference of Parties to the Convention on Biological Diversity in November 1995, and the Kyoto Declaration and Plan of Action, which were adopted in December 1995 by the International Conference on the Sustainable Contribution of Fisheries to Food Security. The immediate need was for the Governments concerned to participate in and implement those agreements: implementation was important at all levels.

18. Participants generally agreed that activities relating to oceans, seas and coastal areas required greater priority in national, subregional, regional and international decision-making: given the cross-sectoral nature of the issues involved, they required a greater coherence and consistency among various sectors of government, both in the United Nations and in other intergovernmental forums.

19. It was also noted that the special characteristics and needs of individual countries, in particular developing countries, needed to be recognized and addressed when suggesting intergovernmental actions.

20. Questions relating to possible improved institutional arrangements and structures dealing with oceans, seas and coastal areas were discussed by the Working Group, based on a number of specific proposals put forward by several delegations (see paras. 36-41 below). The Working Group also took note of the recommendations emanating from the London Workshop on Environmental Science, Comprehensiveness and Consistency in Global Decisions on Ocean Issues, which was co-sponsored by the Governments of Brazil and the United Kingdom of Great Britain and Northern Ireland (London, 30 November-2 December 1995) (see E/CN.17/1996/23).

B. Recommendations on programme areas

1. Programme Area A: "Integrated management of coastal areas"

21. The Working Group suggested that the proposals contained in the report of the Secretary-General needed to be more carefully aimed at specific groups of countries, such as coastal countries. It noted that there were many other examples of successful regional and subregional programmes, such as the South Pacific Regional Environment Programme, the Northwest Pacific Action Plan, the Coordinating Body of the Seas of East Asia, the Baltic Sea Joint Comprehensive Environmental Action Programme, the Mediterranean Action Plan and the Conference of African States Bordering the Atlantic Ocean. The Working Group also stressed the need for increased support for training and capacity-building in the field of integrated management of coastal areas, and stressed the need for taking action to protect all critical habitats of marine living resources in the coastal zone, including coral reefs, mangroves, mudflats and estuaries.

22. The Working Group recommended that the Commission (a) call on States to adopt appropriate measures to ensure that the management of their watercourses, inland waters, and related catchments were consistent with the aims of their integrated coastal areas management plans; (b) call on land-locked States to take account of the potential impact of their decisions on their freshwater management systems on the coastal seas in which their rivers drained. It also

asked Governments and agencies of the United Nations system to promote programmes for guiding management and corrective actions to control pollution in the larger coastal urban settlements, specifically in the treatment of sewage and waste disposal, both domestic and industrial, as well as to control pollution in river systems caused by mining industries. The Working Group also requested that the World Bank and regional development banks continue their work to develop effective means of implementation that would complement the UNEP proposals.

23. In view of the multiple uses of coastal areas, the Commission might wish to request States to ensure that representatives of the relevant sectors and communities were consulted in the decision-making processes and were involved in other activities related to coastal area management planning and development.

24. Recognizing the importance of coral reefs and related ecosystems as a life-support system of many countries, particularly small island countries, and as a rich source of biodiversity, the Working Group recommended that the Commission:

(a) Welcome the International Coral Reef Initiative (ICRI) as a means to address threats to coral reefs and related ecosystems;

(b) Urge concerned Governments, United Nations agencies and organizations, multilateral development banks, donor institutions, local communities, non-governmental organizations, the private sector and the scientific community to support the implementation of the ICRI Framework for Action, launching local or national coral reef initiatives as part of their plans for coastal integrated development and management;

(c) Recommend the strengthening of existing institutional mechanisms (at all levels) and knowledge base (through research database development, monitoring and management projects, such as the Global Coral Reef Monitoring Network, and information exchange);

(d) Welcome the inauguration of the International Year of the Reefs (1997) and request United Nations organizations to contribute to public education through that and other mechanisms;

(e) Welcome the Jakarta initiative entitled "Conservation and sustainable use of marine and coastal Biological Diversity" (decision II/10 of the Second Meeting of the Conference of the Parties to the Convention on Biological Diversity).

2. Programme Area B: "Marine environmental protection"

25. The Working Group welcomed the successful outcome of the International Conference to Adopt a Global Programme of Action for the Protection of the Marine Environment (Washington, D.C., 23 October-3 November 1995). It recommended that the secretariat of UNEP revise its draft proposal for institutional arrangements and implementation of the Global Programme of Action (see E/CN.17/ISNG.I/1996/Misc.2), based on the comments provided by the Working Group and taking into account the elements discussed for inclusion in a draft

resolution to be further considered by the Commission and by the General Assembly at its fifty-first session (see annex I).

26. The Group recognized - as stated in the Washington Declaration adopted by the Conference - participating Governments' intention to act to develop, in accordance with the provisions of the Global Programme of Action adopted by the Conference, a global, legally binding instrument for the reduction and/or elimination of emissions, discharges and, where appropriate, the elimination of the manufacture and use of persistent organic pollutants identified in decision 18/32 of the UNEP Governing Council. The nature of the obligations undertaken must be developed, recognizing the special circumstances of countries in need of assistance. Particular attention should be devoted to the potential need for the continued use of certain persistent organic pollutants to safeguard human health, sustain food production and alleviate poverty in the absence of alternatives, as well as to the difficulty of acquiring substitutes and transferring technology for the development and/or production of such substitutes. The Working Group suggested that the Commission invite other regional bodies to follow the example of the Economic Commission for Europe (ECE) Convention on Long-Range Transboundary Air Pollution.

27. In accordance with the Washington Declaration, the Working Group noted Governments' intention to give priority to the treatment and management of waste water and industrial effluents, as part of the overall management of water resources, especially through the installation of environmentally and economically appropriate sewage systems, including by studying mechanisms to channel additional resources for that purpose expeditiously to countries in need of assistance.

28. The Working Group took note that concerning offshore oil and gas activities, the International Maritime Organization (IMO) had concluded that harmonized environmental regulations had been and were being developed in specific regional programmes, and such discussions were proving productive. It also noted that IMO supported that approach and encouraged its wider adoption, and concluded that there was no compelling need at that time to develop further globally applicable environmental regulations in respect of the exploitation and exploration aspects of offshore oil and gas activities.

29. The Working Group recommended that the Commission encourage States to continue to strengthen the relevant national and regional review of the need for additional measures to address the degradation of the marine environment from offshore oil and gas platforms, as called for in paragraph 17.30 (c) of Agenda 21, taking into account the relevant expertise of IMO, UNEP, and the Division for Ocean Affairs and the Law of the Sea of the United Nations Secretariat. Private-sector government partnerships should also be encouraged within regions.

30. The Group noted that the Government of the Netherlands would host a workshop for experts from relevant institutions and organizations, in particular experts from countries with offshore oil and gas activity, at which regional and national experiences could be exchanged. The Working Group recommends that the Commission:

(a) Encourage relevant and competent international and regional bodies, including the Division for Ocean Affairs and the Law of the Sea, the IMO and UNEP, to make available appropriate inputs for the workshop;

(b) Also take note of the upcoming meeting of the Western Hemisphere Oil and Gas Environmental Forum (to be held in Rio de Janeiro, 17-19 April;

(c) Invite the host Governments of the above-mentioned meetings to make available to Commission members and other interested States the outcome of their respective meetings.

3. Programme areas C and D: "Living marine resources"

31. The Working Group recognized the major steps that had been taken towards fulfilling the goals of Agenda 21 as a result of the entry into force of the United Nations Convention on the Law of the Sea in November 1994 and the adoption of a number of legal instruments (both binding and non-binding), namely:

(a) The Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas (1993);

(b) The Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (1995);

(c) The Code of Conduct for Responsible Fisheries (1995).

The Working Group also noted the successful conclusion, in 1995, of:

(d) The FAO Ministerial Meeting on Fisheries (Rome, March);

(e) The final session of the United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks (New York, July-August);

(f) The discussion by the General Assembly at its fiftieth session of items 39 (Law of the Sea) and 96 (c) (Sustainable use and conservation of marine living resources on the high seas);

(g) The second session of the Conference of the Parties to the Convention on Biological Diversity (Jakarta, November);

(h) The International Conference on the Sustainable Contribution of Fisheries to Food Security (Kyoto, December).

32. As part of the implementation of the above-mentioned instruments (see annex II for alternative text for paras. 32-34), the Working Group recommended that States:

(a) Strengthen fishery research and increase cooperation among research institutions and the Food and Agriculture Organization of the United Nations (FAO) regarding, inter alia, (i) the scope, quality and relevance of scientific advice; (ii) the impact of fisheries on stocks, associated species and ecosystems; (iii) the possible effects of hazardous, toxic and persistent substances, as well as other human activities on resources and other marine biota; (iv) the potential impact of aquaculture and stock enhancement practices on marine habitats and genetic diversity; and (v) the development of selective fishing gear and practices;

(b) Establish/strengthen subregional and regional fishery management organizations or arrangements, and in particular, become party to those in whose regulatory area their fishing vessels operate, increasing cooperation between them, notably where stocks migrate from one area to another;

(c) Increase consultation at the local level of all parties affected by fishery management decisions in order to identify potential concerns, benefit from available experience and management capabilities, and ensure the viability of small-scale and artisanal fishing communities;

(d) Adopt measures to discourage vessels from States that fail to cooperate from engaging in fishing activities that undermine the effectiveness of conservation and management measures taken, both in accordance with international law and at the appropriate regional or subregional levels;

(e) Adopt and apply compatible conservation and management measures throughout the entire range of distribution of a stock, including by establishing biologically safe limits and precautionary reference points to promote the rebuilding of stock above such limits;

(f) Develop and adopt selective and environmentally safe fishing gear and practices and other measures in order to reduce by-catch and negative impacts on non-commercial species and the habitat, reducing discarding to the extent practicable;

(g) Develop and adopt measures to protect marine and coastal biological diversity, as set forth, inter alia, in the 1995 Jakarta Mandate;

(h) Review the capacity of fishing fleets in relation to sustainable yields of fishery resources and, where necessary, take steps to reduce overcapacity and prevent any net increase in fishing capacity on overfished or depleted stocks;

(i) Monitor and enforce, within their respective competence, agreed conservation and management measures, keeping under review the effectiveness of conservation and management measures;

(j) Ensure that whenever fish trade measures are taken, measures are in accordance with the principles, rights and obligations established by international law, including the World Trade Organization (WTO) Agreement;

(k) Improve the awareness of fishers and other agents involved in fisheries of the ecological impacts of fisheries activities, promoting the understanding of the Code of Conduct and supporting its effective implementation;

(l) Increase efforts to promote more environmentally friendly technologies, banning the use of destructive fishing techniques that use cyanide and explosives, and promoting methods aiming at reducing by-catch of non-target aquatic species and birds;

(m) Abolish financial incentives that lead to overfishing and environmentally unsound practices and create alternative economic opportunities for fishing communities that are affected by measures taken to ensure sustainability so as to ensure that fishers can operate under economic conditions that promote responsible fisheries.

33. Furthermore, Governments should, where feasible, promote the development of sustainable aquaculture as a means to increase food production and improve the economic basis for local community development, taking into account: (a) the need for assistance and transfer of technology and know-how to developing countries; (b) the potential adverse impacts on the environment; (c) the risks of introducing alien species; and (d) the need for improved knowledge in the use of genetic engineering. To that effect, the existing guidelines for the environmental management of aquaculture, species introductions and transfers, as well as on the precautionary approach, should be implemented.

34. A report on the achievements on the action items listed above, and more generally on progress made improving fisheries sustainability, based on information provided by Member States, should be presented by the FAO secretariat to the meetings of the FAO Committee on Fisheries.

4. Programme area E: "Critical uncertainties"

35. The Working Group stressed the fact that the insufficiency of research capacity and information systems was particularly noticeable in the developing world and small islands. It expressed its support to the Global Ocean Observing System (GOOS), and noted the initiative to develop the EuroGOOS system.

5. Programme area F: "International cooperation and coordination"

36. In addition to the commitment already reflected in section F of chapter 17 of Agenda 21 to promote, within the United Nations system, regular intergovernmental consideration of environment and development issues and effective coordination of the relevant United Nations system components, the Working Group recommended that the existing machinery be improved at the global level by, inter alia:

(a) Establishing priorities for action needed to promote sustainable development on the basis of dialogue between national Governments and international agencies;

(b) Improving coordination among United Nations agencies and organizations and other intergovernmental agencies in carrying out such actions, inter alia, by strengthening the Subcommittee on Oceans and Coastal Areas of the Administrative Committee on Coordination (ACC);

(c) Provision of scientific advice on environmental, social and economic aspects of the problems to be addressed.

37. The Working Group felt that the special session of the General Assembly to be held in June 1997 to review the implementation of Agenda 21 could provide recommendations on the future role that the Commission should play as the focal point for formulating the consensus of States on strategies and priorities for action needed at the global level to promote the sustainable development and conservation of the marine environment. In that regard, the Commission could consider:

(a) Priorities for action at the global level;

(b) The integration of the different aspects of such actions;

(c) Progress in the implementation of relevant global action programmes, including the Global Programme of Action for the Protection of the Marine Environment from Land-based Sources of Pollution.

38. In order to address the need for improved coordination, the Working Group recommended that the Commission invite the Secretary-General to review the working of the ACC Subcommittee on Oceans and Coastal Areas with a view to improving its status and effectiveness, including by establishing close working links between the secretariat of the Subcommittee and UNEP, in line with UNEP's leading role in catalysing the development of global policy on the marine environment.

39. The Working Group also recommended that the Secretary-General and the executive heads of the United Nations agencies and organizations sponsoring the Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection (GESAMP) review the terms of reference, composition and methods of work of GESAMP, with a view to improving its effectiveness and comprehensiveness while maintaining its status as a source of agreed, first quality scientific advice; in particular, close links should be created with the work of UNEP and its Regional Seas Programme, and means should be found to ensure:

(a) Consideration of all aspects - environmental, social and economic - of the marine environment;

(b) A comprehensive approach to potential sources of expertise;

(c) Regular periodic reports on the quality status of the world's oceans and seas;

(d) Advice on criteria for the assessment of issues that might need action at the global level;

(e) Scientific advice and guidance on specific aspects of particular problems calling for action at the global level or, at the request of the appropriate authorities, at the regional or national levels.

40. The Working Group stressed that the programme area also addressed the needs for collaboration at regional and subregional levels.

41. The Working Group noted that for various reasons, some countries had not agreed to apply the user-pay principle and could not generate local resources through user fees and taxes. It recognized the importance of the Global Environment Facility (GEF) as a key funding mechanism but noted that a number of countries already contributing to GEF could not commit further resources to it. The Working Group recommended that the Commission encourage the development of coordinated strategies for engaging the private sector in efforts to achieve the ecologically sustainable use of the oceans and coastal environments.

III. RECOMMENDATIONS RELATING TO CHAPTER 9 ON OF AGENDA 21, "PROTECTION OF THE ATMOSPHERE"

A. General considerations

42. The Working Group took note of the detailed proposals contained in the report of the Secretary-General on protection of the atmosphere (E/CN.17/1996/22 and Add.1). It generally welcomed the proposals but expressed a few reservations on some of them, and suggested additional recommendations for further consideration by the Commission. General recommendations on the protection of the atmosphere are reported below, while proposals for specific action on the four programme areas of chapter 9 follow in subsection III.B.

43. The Working Group urged that atmospheric protection measures to reduce air pollution, combat climate change and prevent ozone layer depletion be undertaken and coordinated at the national, regional, s nd international levels.

44. The Working Group stressed the need for broad international action to address global atmospheric problems. It emphasized that the principle of a common but differentiated responsibility for developing and developed countries, as outlined in the Rio Declaration on Environment and Development, should be applied in any development of measures to protect the atmosphere on a global scale.

45. The Working Group emphasized that, while there was a clear commitment by all countries to global atmospheric protection, the developed countries should take the lead in combatting the emissions of greenhouse gases and ozone-depleting substances. In the context of the commitments on international cooperation contained in Agenda 21, the Working Group acknowledged that the requirement for technology transfer, institution and capacity-building was an urgent issue to which the Commission should give priority.

46. The Working Group noted the danger of exacerbating other environmental problems is initiating actions to address individual issues, and stressed the need to address atmosphere-related problems in an integrated and comprehensive way. The Working Group recommended that the precautionary principle approach be applied, taking into account related uncertainties and risks.

47. The Working Group emphasized that an essential component of measures for protecting the atmosphere was the reduction of local - especially urban - air pollution, as well as combating desertification, which had adverse impacts on human health and the environment.

48. The Working Group offered the following general recommendations for consideration by the Commission:

(a) To recommend that States consider the broad spectrum of policy instruments - economic and fiscal, regulatory and voluntary - available to them for improving energy efficiency and efficiency standards in all relevant sectors;

(b) To encourage Governments and organizations to cooperate, as appropriate, in the implementation of relevant policy and economic instruments for minimizing the adverse effects of international competitiveness and optimizing the allocation of resources;

(c) To urge countries that had not yet done so to sign, ratify and implement:

(i) The United Nations Framework Convention on Climate Change. All Parties to the Convention should fully implement their commitments therein, with a special emphasis on the conclusion of the Berlin Mandate;

(ii) The United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa. Countries should cooperate in the negotiation process leading to the first Conference of the Parties;

(iii) The Vienna Convention for the Protection of the Ozone Layer, and its Montreal Protocol and subsequent amendments and adjustments;

(iv) The Convention on Biological Diversity.

B. Recommendations on programme areas

1. Programme A: "Addressing the uncertainties: improving the scientific basis for decision-making"

49. The Working Group stressed the importance of establishing a sound scientific base upon which appropriate responses to atmospheric degradation could be formulated.

50. The Working Group welcomed the second assessment report adopted by the World Meteorological Organization (WMO)/UNEP Intergovernmental Panel on Climate Change (IPCC) in Rome in December 1995 as the most important and reliable assessment of climate change. That report had stated that the balance of evidence suggested a discernible human influence on global climate, and that opportunities already existed for moving away from carbon-based energy production and use as an option to mitigate carbon dioxide emissions. The Working Group shared the view of IPCC on the need for the development and transfer of new technologies, in particular for the exploitation of renewable energy sources, in order to address the climate change issue. The Working Group further recommended that the Commission stress the necessity for urgent action at the widest possible level to mitigate climate change in response to the above-mentioned report. The Working Group also recognized that the special conditions and needs of different groups of countries, as contained in the United Nations Framework Convention on Climate Change, must be taken fully into account.

51. The Working Group emphasized that the scientific and technical expertise required by the developing countries to protect the atmosphere needed further improvement with the support of the international community.

52. The Working Group supported an integrated approach to the protection of the atmosphere through consultative arrangements among relevant conventions, such as the United Nations Framework Convention on Climate Change, the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa, legal instruments concerning ozone layer protection, and regional agreements, as well as among international organizations. Similar integrated approaches would be appropriate at the national and regional levels as well. **However, the Working Group considered that the existing coordinating structures, at least at the international level, were sufficient to ensure the treatment of the atmosphere protection issues in an integrated manner, and the establishment of new intergovernmental bodies could not therefore be justified.**

53. The Working Group was supportive of the initiative of a number of international organizations to establish an integrating framework for international climate-related programmes - a climate agenda - with the objective of enhancing coordination and providing for scientific and technical background for assessing the status of the atmosphere and making decisions on its protection.

54. The Working Group further recommended that the Commission support the need for enhanced research, especially in such a way that processes in the atmosphere would be considered together with related social and economic processes. The Working Group noted that a number of international, regional, subregional and national initiatives pursued an integrated approach to studies of processes that influenced and were influenced by the atmosphere in order to provide a scientific background for protective measures. The Working Group emphasized the need for enhanced monitoring of the status of the Earth's atmosphere.

55. While stressing the need for preventive measures, the Working Group particularly noted the importance of undertaking research into the

identification of strategies for adapting to the impacts of changes in atmospheric composition and climate, and recommended that the Commission further promote the development of such adaptation strategies.

2. Programme area B: "Promoting sustainable development"

(a) Energy development, efficiency and consumption

56. The Working Group considered that global climate change issues and their relation to energy development, efficiency and consumption were most appropriately addressed through the mechanism for the implementation of the United Nations Framework Convention on Climate Change.

57. The Working Group paid special attention to the production, conversion and use of energy. Energy was one of the fundamental requirements for economic growth and social improvements, and the demand for energy in the transport sector was experiencing rapid growth in both industrialized and developing countries. Energy use was linked to environmental and societal problems, including air and water pollution, lost productivity due to traffic congestion, health impacts and global warming. The industrial sector, which accounted for a large share of global energy use, involved a wide range of activities, such as the extraction of natural resources, conversion into raw materials and the manufacture of finished products.

58. The Working Group emphasized the need for all countries, in particular the developed countries, to make a clear commitment to changing energy consumption and production patterns.

59. The Working Group further recommended that the Commission emphasize the need for sustainable energy services to be made available to all people now and in the future so as to ensure basic human needs.

60. The Working Group recommended that the Commission invite Governments and organizations to:

(a) Improve efficiency in the production, distribution and use of energy, *inter alia*, through education and training, the dissemination of information, the enhancement of knowledge and voluntary agreements;

(b) Give high priority to the introduction of renewable energy sources, passive solar energy, architectural design, as appropriate, and energy efficiency improvement programmes, as well as to energy conservation;

(c) Increase international cooperation for the exchange of experience in energy efficiency improvement, the development and use of renewable sources of energy, and the promotion of decentralized electricity supply for rural areas;

(d) Consider the concept of environmental cost internalization and economic instruments to promote sustainable energy development, **and also consider the removal of environmentally damaging subsidies, particularly for developed countries;**

(e) Enhance research and development, including socio-economic research, to facilitate appropriate technology utilization, in particular renewable sources of energy, methodologies for internalizing external costs and improved material efficiency, as well as improved agricultural production;

(f) Take all the necessary actions recommended by the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa.

61. The Working Group recommended that the Commission urge multilateral financial institutions to take full account of the protection of the atmosphere, global climate change and the use of environmentally sound technologies in their lending and investment strategies. The promotion of renewable sources of energy as an important option for reducing carbon dioxide emissions should be given particular attention.

62. The Working Group recommended that the Commission welcome and support intensified international and regional cooperation and initiatives, for example the Organization for Economic Cooperation and Development/International Energy Agency (OECD/IEA) Climate Technology Initiative and follow-up to the Marrakech Seminar on Decentralized Electrification of Rural Areas (Morocco, 13-17 November 1995).

63. The Working Group took note of the conclusion of the Committee on New and Renewable Sources of Energy and on Energy for Development at its second session (see E/C.13/1996/8) that, inter alia, a holistic and coordinated approach to energy issues in the United Nations system was not yet in place, and suggested that the Commission recommend such an approach.

(b) Transportation

64. Since the reduction of carbon dioxide emissions as well as emissions of oxides of nitrogen, oxides of sulphur and volatile organic compounds from the transportation sector were some of the more important objectives in the strategy for the protection of atmosphere, the Commission should recommend a package of measures to those ends including:

(a) Reduction and internalization of environmental costs in the transport sector, including the selective removal of transport energy subsidies and the promotion of environmentally sound transport systems;

(b) Integration of land use and transport planning to reduce the demand for transport services;

(c) Technological innovation in the design of vehicles and use of fuels, and for promoting modal shifts towards mass transportation, waterways and non-motorized transport;

(d) Incorporation of measures for better air quality;

(e) Examination of policy and fiscal measures for improved efficiency, as well as the setting of standards in air transport;

(f) Use of alternative fuels, especially biomass derived fuels, such as ethanol and plant oils;

(g) Use of lead-free automotive fuels by employing ethanol/methanol-based oxygenates instead of lead alkyl as octane boosters, thus greatly reducing the health hazards, particularly for young children, arising from toxic levels of lead in the environment;

(h) Integration of transport planning in urban development so as to relieve traffic congestion and related economic and social impacts, particularly in rapidly expanding major urban centres in developing countries.

(c) Industrial development

65. Given the fact that industry had a major role to play in the protection of atmosphere, the Working Group recommended that the Commission urge Governments and industry to.

(a) Increase their research into more environmentally sound production technologies, including energy and material efficiency;

(b) Actively participate in technology transfer and capacity-building in developing countries.

66. It was also recommended that the Commission encourage industry to take full account of concerns related to the protection of atmosphere and the use of environmentally sound technologies in their investment strategies.

(d) Terrestrial and marine resource development and land use

67. The Working Group also recommended that the Commission encourage Parties to the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, as well as those countries in the process of ratification, to coordinate their activities with activities undertaken under relevant international agreements, in particular the United Nations Framework Convention on Climate Change and the work of the Intergovernmental Panel on Forests.

3. Programme area C: "Stratospheric ozone depletion"

68. The success in addressing the problem of ozone-layer depletion under the auspices of the Vienna Convention and the Montreal Protocol was referred to and identified as a model solution in dealing with atmosphere-related issues and for constructive cooperation among Governments, industry, science and non-governmental organizations, in particular, the successful outcome of the recent meeting of Parties to the Montreal Protocol (Vienna, December 1995,) was noted. However, there was general concern over reports of illegal trade in ozone-depleting substances, and the Parties were urged to ensure that there was strict compliance with the rules governing trade contained in the Montreal Protocol.

69. In addition to confirming the need for Governments to join and implement the Vienna Convention, its Montreal Protocol and subsequent amendments and adjustments, the Commission was requested to urge Governments and organizations to:

(a) Take effective measures against illegal trade in ozone-depleting substances;

(b) Provide adequate financial and technical support to developing countries in order to enable them to phase out the production and consumption of all ozone-depleting substances;

(c) Make efforts to limit the production and consumption of alternatives to ozone-depleting substances with high global warming potentials, and give priority to solutions that had neither a remaining ozone-depleting potential, nor a significant global warming potential, consistent with a more integrated approach to atmosphere protection;

(d) Take account of the potential cost saving in terms of expenditure on human health deriving from measures for conserving the ozone layer and protecting air quality.

4. Programme area D: "Transboundary air pollution"

70. The Working Group was concerned by the growing threat of transboundary air pollution in many regions, as well as the effects upon people and the environment from local air pollution. While some success had been achieved in Europe, North America and in South-East Asia in addressing air pollution matters, transboundary air pollution was a growing threat elsewhere in Asia, in South America and in southern Africa. Establishing cooperation to overcome that problem, including through the application of approaches that had been shown to be successful elsewhere, was considered to be an appropriate way forward. Note was taken of the ongoing negotiations on a protocol on heavy metals and persistent organic pollutants and on a second oxides of nitrogen protocol within the framework of the Convention on Long-range Transboundary Air Pollution of the Economic Commission for Europe.

71. The Working Group observed that transboundary air pollution was still a major environmental concern in many parts of the world. Impacts occurred at great distances from pollution sources and could affect air quality, water, coastal seas and terrestrial ecosystems, especially forests. While there had been improvements in air quality in some regions, in others air pollutants transported across boundaries had increased and had caused widespread damage to ecosystems and natural resources.

72. The Working Group recommended that the Commission:

(a) Reaffirm the need for effective transboundary air pollution agreements in all affected regions;

(b) Urge Governments and organizations to take measures to reduce emissions of acidifying substances and volatile organic compounds with the aim of not exceeding critical loads and levels;

(c) Encourage developed countries to enhance programmes that shared management expertise, scientific expertise and information on technical mitigation options with developing countries in which transboundary air pollution was likely to become an issue;

(d) Take note of the pollution affecting the Arctic and Antarctic environments, including pollution from persistent organic pollutants, as well as the pollution threatening the integrity of the food chain of indigenous people in the Arctic.

73. The Working Group noted that recommendations should be addressed not separately to developing and developed countries but instead to all countries, thus recognizing that countries could belong to the same region or group yet still be at different stages of development and have different economic conditions.

IV. ORGANIZATIONAL MATTERS

A. Opening and duration of session

74. The Working Group met at United Nations Headquarters from 26 February to 1 March 1996, in accordance with Economic and Social Council decision 1995/235 of 17 July 1995. The Working Group held 9 meetings (1st to 9th).

75. The session was opened by the Chairman of the Commission on Sustainable Development, Mr. Henrique Cavalcanti (Brazil).

76. The Chairman of the Working Group, Mr. Svante Bodin (Sweden), made an introductory statement.

77. The Under-Secretary-General for Policy Coordination and Sustainable Development of the United Nations Secretariat made a statement.

78. The Working Group heard a presentation by the Chairman of the ACC Subcommittee on Oceans and Coastal Areas, as task manager, regarding the report of the Secretary-General on protection of the oceans, all kinds of seas, including enclosed and semi-enclosed seas, and coastal areas and the protection, rational use and development of their living resources (E/CN.17/1996/3 and E/CN.17/ISWG.I/1996/Misc.1).

79. The Working Group also heard joint presentations made by the United Nations Environment Programme and the World Meteorological Organization, as task managers, regarding the report of the Secretary-General on protection of the atmosphere (E/CN.17/1996/22 and Add.1).

80. A statement was made on behalf of the Chairman of the Committee on New and Renewable Sources of Energy and on Energy for Development.

B. Attendance

81. Representatives of 32 States members of the Commission on Sustainable Development attended the meetings of the Working Group. Observers for other States Members of the United Nations and for non-member States and the European Community, representatives of organizations of the United Nations system, and observers for intergovernmental and non-governmental organizations also attended. A list of participants is contained in annex IV to the present report.

C. Election of officers

82. At the 1st meeting, on 26 February 1996, the Working Group elected by acclamation Mr. Svante Bodin (Sweden) as Chairman.

D. Agenda and organization of work

83. At the 1st meeting, on 26 February, the Working Group adopted the provisional agenda contained in document E/CN.17/ISWG.I/1996/1. The agenda read as follows:

1. Adoption of the agenda and other organizational matters.

2. Protection of the oceans, all kinds of seas, including enclosed and semi-enclosed seas, and coastal areas and the protection, rational use and development of their living resources (Agenda 21, chapter 17).

3. Protection of the atmosphere (Agenda 21, chapter 9).

4. Other matters.

5. Adoption of the report of the Working Group.

E. Documentation

84. The documents before the Working Group are listed in annex V to the present report.

Annex I

ELEMENTS FOR INCLUSION IN A DRAFT RESOLUTION ON INSTITUTIONAL ARRANGEMENTS FOR THE IMPLEMENTATION OF THE GLOBAL PROGRAMME OF ACTION FOR THE PROTECTION OF THE MARINE ENVIRONMENT FROM LAND-BASED ACTIVITIES

The Working Group agreed to transmit to the Commission on Sustainable Development at its fourth session for further negotiation the following elements for inclusion in a draft resolution on institutional arrangements for the implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, to be submitted to the General Assembly at its fifty-first session, through the Economic and Social Council.

The General Assembly,

Recalling the relevant provisions of Agenda 21, particularly chapters 17, 33, 34 and 38, and the Rio Declaration on Environment and Development,

Recalling further its resolution 50/110 of 20 December 1995 on the report of the Governing Council of the United Nations Environment Programme, in which it endorsed, inter alia, Governing Council decision 18/31 on the protection of the marine environment from land-based activities,

Noting the successful conclusion of the Intergovernmental Conference to Adopt a Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, which was held in Washington, D.C., from 23 October to 3 November 1995,

Having considered the Washington Declaration and the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, as well as the proposal of the United Nations Environment Programme on institutional arrangements and implementation of the Global Programme of Action and relevant recommendations of the Commission on Sustainable Development,

1. Endorses the Washington Declaration and the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities;

2. Calls upon States to take the necessary measures for the implementation of the Global Programme of Action at the national, regional and international levels, including the preparation and implementation of national, regional and subregional programmes;

3. Also calls upon States to take action to secure formal endorsement by each competent international organization of those parts of the Global Programme of Action that are relevant to their mandates and to accord appropriate priority to the implementation of the Global Programme of Action in the work programme of each organization;

4. Further calls upon States to take such action at the next meetings of the governing bodies of United Nations Environment Programme, the United Nations

Development Programme, the United Nations Centre for Human Settlements (Habitat), the Food and Agriculture Organization of the United Nations, the World Health Organization, the International Maritime Organization, the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization, the International Atomic Energy Agency, the International Labour Organization and the United Nations Industrial Development Organization and in the relevant bodies of the International Monetary Fund and the World Bank, as well as in other competent international and regional organizations within and outside the United Nations system;

5. Stresses the need for international cooperation in capacity-building, technology transfer and cooperation, and the mobilization of financial resources, including to support, in particular developing countries and especially the least developed countries, countries with economies in transition and small island developing States, as outlined in sections IV A and B of the Global Programme of Action;

6. To this end calls upon bilateral donors and international, regional and subregional financial institutions and mechanisms, including the Global Environment Facility, and other competent development and financial institutions:

(a) To ensure that their programmes give appropriate priority for projects aimed at the implementation of the Global Programme of Action;

(b) To assist with capacity-building in the preparation and implementation of national programmes and in identifying ways and means of funding them;

(c) To improve their coordination to enhance the delivery of financial and other support;

7. Invites non-governmental organizations and major groups to initiate and strengthen their action to facilitate and support the effective implementation of the Global Programme of Action;

8. Requests the Executive Director of the United Nations Environment Programme to prepare for the consideration of its Governing Council at its nineteenth session specific proposals on:

(a) The role of the United Nations Environment Programme in the implementation of the Global Programme of Action, including the relevant role of the Water Unit of the United Nations Environment Programme;

(b) Arrangements for secretariat support to the Programme;

(c) Modalities for periodic intergovernmental review of progress in implementing the Global Programme of Action;

9. Further calls upon the United Nations Environment Programme, within its available resources, to take expeditious action to provide for the establishment and the implementation of the clearing-house mechanism referred to in the Global Programme of Action, and requests the Executive Director of the

United Nations Environment Programme to prepare and submit to the Governing Council at its nineteenth session specific proposals on, inter alia:

(a) Establishment of an interorganizational group to develop the basic design and structure of a clearing-house data directory and its linkages to information delivery mechanisms;

(b) Means of linking the interorganizational group to ongoing work within the United Nations system on the identification of and access to relevant databases and the comparability of data;

(c) The outline of a pilot project on the development of the clearing-house's source category component on sewage, to be implemented in partnership with the World Health Organization;

10. Calls upon States, in relation to the clearing-house mechanism, to take action in the governing bodies of relevant intergovernmental organizations and programmes so as to ensure that such organizations and programmes take the lead in coordinating the development of the clearing-house mechanism with respect to the following source categories:

(a) Sewage (World Health Organization);

(b) Persistent organic pollutants (the Inter-Organization Programme for the Sound Management of Chemicals and the International Programme on Chemical Safety);

(c) Heavy metals (United Nations Environment Programme, in cooperation with the Inter-Organization Programme for the Sound Management of Chemicals);

(d) Radioactive substances (International Atomic Energy Agency);

(e) Nutrients and sediment mobilization (Food and Agriculture Organization of the United Nations);

(f) Oils (hydrocarbons) and litter (International Maritime Organization);

(g) Physical alterations, including habitat modification and the destruction of areas of concern (United Nations Environment Programme);

11. Decides to determine, at its special session to be held in June 1997 in accordance with its resolution 50/113, specific arrangements for integrating the outcomes of periodic intergovernmental reviews, as envisaged in operative paragraph 8 (c) above, in the future work of the Commission on Sustainable Development related to the monitoring of the implementation of and follow-up to Agenda 21, in particular its chapter 17.

Note: A number of developing ccuntries present at the meeting suggested the following amendments to the text:

Operative paragraph 1: Replace "Endorses" with "Takes note of".

Operative paragraph 2: Replace "Calls upon" with "Invites" and "take the" with "consider".

Operative paragraphs 3 and 4: Replace with the following text: "Also invites the competent organs, organizations, agencies, programmes and funds of the United Nations system to support those parts of the Global Programme of Action that are relevant to their mandates and to accord appropriate priority to its implementation in their work programmes."

Operative paragraph 5: Replace the phrase "in particular developing countries, especially the least developed countries, countries with economies in transition and small island developing States" with the phrase "developing countries".

Operative paragraph 6: Replace "To this end calls upon" with "Urges greater commitment from".

Operative paragraph 6 (a): Replace "To ensure that their programmes give appropriate priority for" with "To give appropriate priority in their programmes to".

Annex II

ALTERNATIVE TEXT TO PARAGRAPHS 32 TO 34 PREPARED BY AN INFORMAL GROUP OF DELEGATIONS

32. As part of the implementation of these instruments and in order to ensure the maximum social and economic contribution of sustainable fisheries, the Working Group recommended that States should:

(a) Strengthen fishery research and increase cooperation amongst research institutions and FAO regarding, inter alia, (a) the scope, quality and relevance of scientific advice; (b) the impact of fisheries on stocks, associated species and ecosystems; (c) the possible effects of hazardous, toxic and persistent substances, as well as other human activities on resources and other marine biota; (d) the potential impact of aquaculture and stock enhancement practices on marine habitats and genetic diversity; and (e) the development of selective fishing gear and practices;

(b) [Establish/strengthen subregional and regional fishery management organizations or arrangements, and apply the conservation and management measures established by such organizations, in particular becoming party to those in whose regulatory areas their fishing vessels operate, increasing their cooperation with them, notably where stocks migrate from one regulatory area to another, as well as with other organizations that deal with the protection of the marine environment];

OR

(a) [Establish/strengthen subregional and regional fishery management organizations or arrangements in accord with articles 8, 9, 10, 11, 12, 13 and 17 of the United Nations Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks and paragraphs 7.1.3, 7.1.4 and 7.1.5 of the FAO Code of Conduct for Responsible Fisheries];

(b) Increase consultation at the local level of all parties affected by fishery management decisions, to identify potential concerns, benefit from available experience and management capabilities, and ensure the viability of small-scale and artisanal fishing communities;

(c) Members of or participants in subregional or regional fisheries management, organizations or arrangements, should deter the activities of vessels flying the flag of non-members or non-participants who engage in activities that undermine the effectiveness of conservation and management measures agreed internationally;

(d) Apply the precautionary approach, as referred to in the United Nations Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks and the FAO Code of Conduct for Responsible Fisheries;

(e) Promote the development and adoption, to the extent practicable, of selective and environmentally safe fishing gear and practices, and take other

appropriate measures so as to minimize wastes and discards, the catch of non-target species (both fish and non-fish species), and the negative impact on their habitats;

(f) Develop and adopt measures for the conservation and sustainable use of marine and coastal biological diversity, as set forth, inter alia, in the 1995 Jakarta Mandate;

(g) Review the capacity of fishing fleets in relation to the sustainable yields of fishery resources, and reduce overcapacity;

(h) [Prevent any net increase in fishing capacity and effort on overfished or depleted stocks, and prevent vessels from being reflagged for the purpose of avoiding restrictions on fishing effort];

(i) [In preparation for the World Food Summit, the need for a maximum contribution of fisheries to foods security should be stressed];

(j) Monitor and enforce, within their respective competence, agreed conservation and management measures, keeping under review the effectiveness of conservation and management measures;

(k) International trade in fish and fishery products should be conducted in accordance with the principles, rights and obligations established in the World Trade Organization Agreement and other international agreements. States should ensure that their policies, programmes and practices related to trade in fish and fishery products do not result in obstacles to such trade, environmental degradation or negative social impacts, including nutritional impacts [and do not adversely impact on the nutritional rights and needs of people for whom fish and fishery products are critical for their health and well-being];

(l) Improve the awareness of fishers and other agents involved in fisheries of the ecological impacts of fisheries activities, promoting the understanding of the Code of Conduct and supporting its effective implementation;

(m) Increase efforts to promote more environmentally safe technologies, prohibiting dynamiting, poisoning and other comparable destructive fishing practices;

(n) Be invited to abolish measures leading to overfishing and environmentally unsound practices, and also invited to create alternative economic opportunities for fishing communities affected by measures taken to ensure sustainability so as to ensure that fishers can operate under economic conditions that promote responsible fisheries.

33. Furthermore, Governments should, where appropriate, promote the development of sustainable aquaculture as a means to increase food production and improve the economic basis for local community development, taking into account the need for assistance and transfer of technology and know-how to developing countries. States should ensure that the potential adverse impacts on the environment and

the risks of introducing alien species are minimized. States should conduct prior assessments of the risks associated with genetic engineering in aquaculture. States should further ensure that the livelihoods of local communities and access to fishing grounds are not adversely affected by aquaculture development.

34. FAO should be invited to prepare a report on the actions listed above, and more generally on progress made in improving the sustainability of fisheries, based on information provided by its member States for the consideration of the FAO Committee on Fisheries [for submission to the Commission on Sustainable Development].

Annex III

ALTERNATIVE TEXT TO PARAGRAPHS 36 TO 41 PREPARED BY AN INFORMAL GROUP OF DELEGATIONS

36. To enhance the implementation of the commitment in section F of chapter 17 of Agenda 21 to promote regular intergovernmental consideration, within the United Nations system, of general marine and coastal issues, including environment and development matters, the Working Group agreed on the need:

(a) To better identify priorities for action at the global level to promote the conservation and sustainable use of the marine environment;

(b) For better coordination among the relevant United Nations agencies and intergovernmental financial institutions;

(c) To ensure sound scientific, environmental, economic and social advice on such issues.

The Working Group felt that the General Assembly should address such issues as soon as possible.

37. To achieve the first aim, the Working Group considered that there should be a periodic (every three or four years) overall review by the Commission of all aspects of the marine environment and its issues, as described in chapter 17 of Agenda 21, for which the overall legal framework was provided by UNCLOS. The review should draw upon reports from UNEP and other relevant United Nations bodies and international organizations in their respective fields, and should be coordinated by the ACC Subcommittee on Oceans and Coastal Areas. The Working Group noted that there was both a need for and a benefit to be derived from the integration of the General Assembly's consideration of ocean issues.

38. In order to address the need for improved coordination, the Working Group recommended that the Commission invite the Secretary-General to review the working of the ACC Subcommittee on Oceans and Coastal Areas with a view to improving its status and effectiveness, including the need for closer inter-agency links between, inter alia, the secretariat of the Subcommittee and UNEP.

39. The Working Group also recommended that the Commission invite the Secretary-General and the executive heads of the United Nations agencies and organizations sponsoring GESAMP to review its terms of reference, composition and methods of work with a view to improving its effectiveness and comprehensiveness while maintaining its status as a source of agreed, independent scientific advice.

40. The Working Group stressed that the programme area also addressed the needs of collaboration at the regional and subregional levels.

Annex IV

ATTENDANCE

Members

Antigua and Barbuda:	
Australia:	Joanne Disano, Annie Hett, Sean Sullivan, Karen Lanyon, Mark Gray
Bahamas:	
Bangladesh:	
Barbados:	
Belarus:	
Belgium:	
Benin:	Joel W. Adechi, Damien Houeto, Rhétice F. Dagba, Rogatien Biaou, Bienvenu E. Accrombessi, Pascal I. Sossou, Paul H. Houansou
Bolivia:	
Brazil:	Sérgio Abreu e Lima Florêncio, Altineu Pires Miguens, Eduardo Paes Saboia, Paulo Rogério Gonçalves, Leonel Graça Generoso Pereira, Philip Charles Connoly
Bulgaria:	
Burundi:	
Canada:	Lucie Edwards, Kathryn Bruce, Victor Buxton, Louise Côté, Jennifer Irish, John Karau, Guy Rochon, John Walsh, Carmel Whelton
Central African Republic:	
China:	Wang Zhijia
Colombia:	Julio Londoñi, Jairo Montoya, Paula Caballero, Bibiana Vargas, Maria Fernanda Acosta
Ethiopia:	Fesseha A. Tessema, Meheret Getahun
Finland:	Taisto Huimasalo, Jaakko Halttunen, Risto Rautianen, Elias Lahdesmaki, Tapani Kohonen, Jukka Uosukainen

France:	Marc Vedele, Mauricette Steinfelder, Philippe Delacroix, Daniel Silvestre, Philippe Peronne
Gabon:	
Germany:	Hans-Peter Schipulle, Ortwin Gottsmann, Rainald Roesch, Knut Beyer, Andreas Kruger, Peter Christmann
Ghana:	C. A. Biney
Guinea:	
Guyana:	S. R. Insanally, G. Talbot, K. Simon
Hungary:	Tamás Pálvolgyi, András Lakatos
India:	Arun K. Singh
Iran (Islamic Republic of):	Mohammad R. H. K. Djabbari
Italy:	Francesco Paolo Fulci, Giusepe Jacoangeli, Corrado Clini, Alberto Colella, Francesco Genuardi, Valeria Rizzo
Japan:	Takao Shibata, Ichirou Nomura, Hideki Tsubata, Kenji Kagawa, Shigemoto Kajihara, Nenemu Oshida, Kazuo Matsushita
Malaysia:	
Mexico:	Gerardo Lozano, Oscar Manuel Ramirez Flores, Maragarita Paras Fernandez, Ulises Canchola
Morocco:	Ahmed Snoussi, Ahmed Amaziane, Larbi Sbai
Mozambique:	
Netherlands:	A. P. Hamburger, G. A. C. M. Braken, R. H. Dekker, R. Droop, J. J. Neeteson, H Th.H Verheij
Pakistan:	
Papua New Guinea:	Utula U. Samana, Max H. Rai, Kappa Yarka, Adam V. Delaney, Francis Mangila
Peru:	Ana Peña, Italo Acha
Philippines:	Felipe Mabilangan, Cecilia B. Rebong, Robert Jara, Carlos D. Sorreta, Glenn F. Corpin

Poland:	Jan Woroniecki, Czeslaw Wieckowski, Leszek Banaszak, Joanna Wronecka, Anna Raduchowska-Brochwicz, Dariusz S. Stanislawski
Russian Federation:	Andrey Melekh
Saudi Arabia:	
Senegal:	
Spain:	Arturo Laclaustra, Alicia Montalvo, María José Gomez, Carlos Dominguez, Ampara Rambla, Miguel Aguirre de Carcer
Sweden:	Michael Odevall, Svante Bodin, Ulf Svensson, Anders Berntell, Per Enarsson, Ulf Ottosson, Marcela Petkov, Maria Sargren
Switzerland:	Livia Leu
Thailand:	Oraphin Wongchumpit, Apichai Chvajarernpun, Manopchai Vongphakdi, Gregory B. Votaw
Uganda:	
Ukraine:	
United Kingdom of Great Britain and Northern Ireland:	John Weston, Stephen Gomersall, Ann Grant, Victoria Harris, Peter Unwin, Alan Simcock, Donald Maclaren, Peter Dearden, Anthony Smith, Chris Tompkins
United Republic of Tanzania:	
United States of America:	Rafe Pomerance, R. Tucker Scully, Howard Kavaler, Maureen Walker, William Breed, Thomas Laughlin, Donald Brown, John Wilson, Bisa Williams-Manigault
Venezuela:	Miguel Angel Burelli Rivas, Enrique Tejera París, Adriana Pulido, Gonzalo Parra-Aranguren, Gonzalo Vivas
Zimbabwe:	

States Members of the United Nations represented by observers

Algeria, Armenia, Austria, Costa Rica, Côte d'Ivoire, Cuba, Denmark, Egypt, Iceland, Indonesia, Ireland, Jamaica, Kenya, Norway, Panama, Portugal, Republic of Korea, Republic of Moldova, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Slovakia, South Africa, Tunisia, Turkey and Viet Nam.

Non-member States and entities represented by an observer

European Community

United Nations Secretariat

United Nations Environment Programme

Specialized agencies

Food and Agriculture Organization of the United Nations, World Health Organization, World Meteorological Organization, United Nations Industrial Development Organization, International Atomic Energy Agency

Intergovernmental organizations

Organisation for Economic Cooperation and Development

Non-governmental organizations

Franciscans International and International Chamber of Commerce (in consultative status with the Economic and Social Council, category I); Greenpeace International and World Resources Institute (category II); the Natural Resources Defence Council (Roster); and Netherlands National Committee for IUCN (organization accredited to the Commission on Sustainable Development).

Annex V

LIST OF DOCUMENTS BEFORE THE WORKING GROUP

Document symbol	Agenda item	Title or description
E/CN.17/ISWG.I/1996/1	1	Provisional agenda
E/CN.17/1996/3	2	Report of the Secretary-General on protection of the oceans, all kinds of seas, including enclosed and semi-enclosed seas, and coastal areas and the protection, rational use and development of their living resources
E/CN.17/1996/22 and Add.1	3	Report of the Secretary-General on protection of the atmosphere
E/CN.17/ISWG.I/1996/Misc.1	2	Addendum to the report of the Secretary-General on protection of the oceans, all kinds of seas, including enclosed and semi-enclosed seas, and coastal areas and the protection, rational use and development of their living resources
E/CN.17/ISWG.I/1996/Misc.2	3	Paper submitted by the United Nations Environment Programme, following the Intergovernmental Conference to Adopt a Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, held at Washington, D.C. from 23 October to 3 November 1995, on institutional arrangements and implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities

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Report of the Ad Hoc Inter-sessional Working Group on Finance and Changing Consumption and Production Patterns

(New York, 4-8 March 1996)

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INTRODUCTION

1. The report of the Ad Hoc Inter-sessional Working Group on Finance and Changing Consumption and Production Patterns of the Commission on Sustainable Development on its meeting in New York from 4 to 8 March 1996 is not a negotiated text, although its contents were thoroughly discussed at the meeting. In accordance with the expert nature of the Working Group and the function assigned to it by the Commission, the present report focuses on the key issues discussed and conclusions reached at the meeting, and suggests possible recommendations and policy options for consideration by the Commission at its fourth session.

I. INTERLINKAGES

2. The Working Group noted that there were a number of issues common to both chapters of Agenda 21 1/ under review (chapter 4, "Changing consumption patterns", and chapter 33, "Financial resources and mechanisms"). The Working Group highlighted three key interlinkages. First, at the macroeconomic level, savings are generated as a function of income and consumption. Such savings contribute to the national and international resources available for financing sustainable development, which includes economic and social development and the protection of environment. In many developing countries, however, such savings are limited in view of their low levels of income.

3. Second, the Working Group noted that changes in consumption and production patterns could result in the sustainable utilization of natural resources, through their transformation into products and services for the equitable benefit of all countries, as well as in the prevention and mitigation of the environmental, health and social costs of pollution.

4. Third, the Working Group noted that economic instruments can serve a dual purpose: they may be implemented as part of an incentive/disincentive framework to encourage changes in consumption and production patterns, or they may be used in addition to other instruments to generate revenues for financing sustainable development.

II. RECOMMENDATIONS RELATING TO CHAPTER 4 OF AGENDA 21 ON CHANGING CONSUMPTION PATTERNS

A. General considerations

5. The discussions of the Working Group were based on the report of the Secretary-General on changing consumption and production patterns (E/CN.17/1996/5 and Add.1), and took into account chapter 4 of Agenda 21, in particular paragraphs 4.3 and 4.8. The Working Group welcomed the progress made in implementing the work programme agreed at the third session of the Commission, and generally supported the proposed recommendations for its further implementation with the full involvement of appropriate United Nations agencies

and other international bodies while noting the need to clarify and elaborate on some of them.

6. The Working Group noted the trend towards a global consensus on the importance of changing consumption and production patterns, and also noted that many countries - developed, developing and economies in transition - had reported on national initiatives to make consumption and production patterns more sustainable. It welcomed efforts undertaken by various countries in making use of instruments proposed by the Commission and recommended that the exchange of experience in that field continue.

7. Discussions reflected the recognition that industrialized countries should take the lead, as some of them already had, and that such countries had a responsibility to demonstrate that resource efficient, low pollution consumption and production patterns were feasible, desirable and essential for progress in achieving sustainable development, in accordance with the principle of common but differentiated responsibilities.

8. In accordance with chapters 33 and 34 of Agenda 21, the Working Group urged the international community, in particular the developed countries, to provide improved access to financial resources and environmentally sound technologies to developing countries in order to assist them in their efforts to promote sustainable consumption and production patterns.

9. The Working Group acknowledged the progress made by various countries in the development of national policies intended to change consumption and production patterns, and welcomed the fact that the earlier emphasis on production was being broadened with demand-side measures directed to all end-users, including Governments, households and businesses. In addition, it urged that more attention be given to the role that media, advertising and marketing were playing in shaping unsustainable consumption and production patterns, as well as to the role that they could play in changing such patterns. The Working Group encouraged countries to report to the Commission on national experiences in that area.

10. The Working Group noted that education (covered under chapter 36 of Agenda 21) was on the agenda of the fourth session of the Commission, and it emphasized the importance of school curricula and public awareness campaigns for the promotion of sustainable patterns of consumption and production.

11. The Working Group took note of the concept of eco-efficiency as a possible element in policy development. The definition of that concept, in combination, inter alia, with goal-setting, merited further exploration, taking into account national priorities and policies. At the same time, it was noted that initiatives in the field of eco-efficiency should not be a substitute for changes in unsustainable consumer lifestyles. In addition, the concepts of carrying capacity, 2/ environmental utilization space or eco-space 3/ and ecological footprints 4/ should be further explored for their potential usefulness in considering such goals and addressing equity issues in sustainable development strategies.

12. The Working Group noted that patterns for consumption and production could be part of major trends driven by market forces. The most effective method of changing such patterns would often be based on step-by-step policy adjustments, using market instruments to promote sustainability in connection with other means, such as education.

13. The Working Group reaffirmed the importance of sound analysis and transparent and participative decision-making in national and international policy development in the area of changing consumption and production patterns, in particular on such questions as trade impacts, technology transfer and foreign direct investment.

14. The Working Group stressed the important need for developing countries to be involved in the studies being conducted on the various economic instruments, since their applications were relevant under many circumstances. Due to the critical lack of resources and capacity in developing countries for the formulation and implementation of such policy instruments, the need for external support was urgent.

15. The Working Group recommended that the Commission, as part of its programme of work, consider how to translate studies and discussions on changing consumption and production patterns into specific actions and commitments in order to respond to the provisions of chapter 4 of Agenda 21.

16. The Working Group noted the importance for developing countries of the transfer of technology and entrepreneurial skills for sustainable development, and urged that barriers to such transfer be identified and removed, where appropriate, by mutual consultations between parties.

B. Identifying the policy implications of trends and projections in consumption and production patterns

17. The Working Group recognized the need to ensure a better understanding of and adequate information about the linkages between consumption patterns and socio-economic trends, and welcomed the initiative to develop an indicative, quantitative, integrated and well-balanced modelling framework for achieving the objectives of sustainable development, involving experts from developed and developing countries.

18. It was stressed that work on the policy implications of projected trends in consumption and production patterns of the work programme would benefit from the ongoing work on indicators for sustainable development.

C. Assessing the impact on developing countries, especially the least developed countries and small island developing States, of changes in consumption and production patterns in developed countries

19. The Working Group reaffirmed the importance of that element of the work programme. It concluded that work should concentrate first on understanding and

defining such impacts, and then on two key elements: (a) the mitigation of adverse economic, social and environmental impacts, and (b) the identification and encouragement of new trade and investment opportunities. Particular attention should be given to ensuring the transparency of decision-making and the availability of information to all interested parties.

20. New and innovative policy instruments, such as eco-labels, extended and shared producer responsibility (for example, the consideration of life-cycle impacts at the design stage of production and producer take-back requirements), enhanced recycling schemes and life-cycle management, could stimulate more sustainable consumption and production patterns. Such instruments should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade. The Working Group felt that the design and implementation of such instruments should be transparent and would need careful assessment and consultation so as to reflect the concerns of all countries involved. The Group emphasized that eco-labelling would need to be approached in a manner that took into account the special situation and needs of developing countries and the specific requirements of countries with economies in transition. In that context, the Group also noted that domestic eco-labelling, adopted at national discretion within countries and on a voluntary basis, remained an important strategy for promoting sustainable consumption and production patterns.

21. The Working Group welcomed the work of the United Nations related to sustainable consumption and production, in particular that of the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP), and other relevant bodies, such as the Organisation for Economic Cooperation and Development (OECD), and stressed the need to build on existing expertise. It urged Governments to support and strengthen further work in that area, including further study, with the participation of developing countries, of the feasibility of internationally recommended guidelines for eco-labelling schemes, taking into account work being conducted by the International Organization for Standardization (ISO). Guidelines should take full account of the needs of developing countries and their ability to benefit from such an instrument, including through transitional measures, as appropriate, and through the promotion on a sustainable basis of goods related to relevant and endangered eco-systems with a view to generating economic opportunities for the local population.

D. Evaluating the effectiveness of policy measures intended to change consumption and production patterns

22. The Working Group agreed that there was no uniform blueprint for the implementation of effective policies to promote more sustainable consumption and production patterns. The effectiveness of instruments differed according to the environmental, economic and sociocultural circumstances of different countries.

23. The Working Group encouraged Governments, relevant organizations and bodies of the United Nations system, including the Bretton Woods institutions, and OECD, as well as other relevant intergovernmental organizations with good data and knowledge of the development and implementation of policies for changing

consumption and production patterns (such as by facilitating the transfer of environmentally sound technologies) to establish or contribute to an information clearing-house with specific objectives for sharing experience with policy instruments, including economic instruments, and their impacts, including case-studies, to be made accessible through the World Wide Web.

24. The Working Group emphasized the need to analyse further the design of optimal combinations of regulatory, voluntary, economic and social instruments and policies, and the need to focus on those that could both generate revenue and send signals to the market to help change unsustainable consumption and production patterns. It recognized the merits and drawbacks of different instruments available, and concluded that more efforts were required, in particular with regard to education, consumer awareness, procurement policies and fiscal instruments, and invited countries to report to the Commission on national experiences.

25. The Working Group urged Governments to devote adequate attention to the reduction and, where possible, the removal of environmentally damaging subsidies. The design of programmes for reducing subsidies, particularly in developing countries, needed to take into account and address associated adverse and social impacts, and in-depth studies should be undertaken to that end.

E. Progress made in implementing voluntary commitments to achieving sustainable development goals that have an especially high priority at the national level

26. The Working Group noted that a comprehensive systematic overview of progress achieved by countries was valuable for fostering policy development in all regions of the world. Special attention should be given to measures that were designed and implemented to improve the environmental performance of Governments, including special measures for improving indicators for sustainable development. The Working Group drew attention to UNEP decision 18/10 on good environment housekeeping within the United Nations system.

27. The Working Group welcomed efforts under way among the organizations and bodies of the United Nations system, such as UNCTAD and UNEP, as well as other international organizations, including OECD, to develop a database for reporting to the Commission on new developments in the broad strategies being implemented to achieve key measurable objectives of sustainable consumption and production.

28. The Working Group recommended that Governments report on progress made in international cooperation to increase eco-efficient management practices and technology transfer among developed and developing countries and countries in transition.

F. Revision of the guidelines for consumer protection

29. The Working Group recognized the important role that the guidelines for consumer protection adopted by the United Nations General Assembly in its resolution 39/248 of 9 April 1985 had played in influencing the development of

national consumer legislation that emphasized producer responsibility. It encouraged the United Nations Secretariat to promote a transparent process, involving all interested parties, including business, consumer organizations and other non-governmental organizations, in the revision of the guidelines; requested that information be provided as soon as available on plans and proposals for such revision; and expressed the hope that a first result of the exercise would be ready for consideration by 1997.

III. RECOMMENDATIONS RELATING TO CHAPTER 33 OF AGENDA 21 ON FINANCIAL RESOURCES AND MECHANISMS

A. General considerations

30. The discussion of the Working Group was based on the report of the Secretary-General entitled "Financial resources and mechanisms for sustainable development: overview of current issues and developments (E/CN.17/1996/4 and Add.1). The discussion also benefited from the report of the Third Expert Group Meeting on Financial Issues of Agenda 21 (Manila, 6-8 February 1996) and a background paper on financial flow statistics and inputs provided by non-governmental organizations.

31. The Working Group reviewed the financing of sustainable development, with particular emphasis on mobilizing external and national financial resources for sustainable development, the feasibility of innovative financial mechanisms, financing the transfer of environmentally sound technologies, and the matrix of policy options and financial instruments.

32. There was a general consensus that the commitments made at the United Nations Conference on Environment and Development on new and additional resources remained a key element of the discussion on financial resources and mechanisms. It was stressed that chapter 33 of Agenda 21 provided the framework for the discussion of various current and emerging issues, and that that framework was clear enough to take into consideration new developments, including the decline in official development assistance (ODA) relative to gross national product (GNP) and the increase of private flows to some developing countries.

B. Mobilizing external financial resources for sustainable development

33. The Working Group emphasized the need to fulfil all financial recommendations and commitments of Agenda 21, especially those in chapter 33, including those related to the provision of substantial and predictable, new and additional financial resources to developing countries from all sources. The Group attached importance to the decision of the Commission at its third session to promote, inter alia, new approaches to enhancing the effectiveness of ODA and increasing it within relevant bilateral and multilateral mechanisms with the objective of achieving the United Nations target of 0.7 per cent of GNP, as reaffirmed in paragraph 33.13 of Agenda 21, as soon as possible.

34. In that context, donor countries should promote greater public awareness of commitments concerning ODA as set forth in chapter 33 of Agenda 21, in particular through the sensitization of their public and private sectors, and central and local governments.

35. To better understand the contribution of ODA to the interlinked components of sustainable development, ODA flows should be further examined on a continuing basis, particularly with respect to their allocation among such components.

36. The Working Group recognized that ODA had a special role to play in countries and sectors that did not fully benefit from private investments and markets, especially in the least developed countries.

37. The effectiveness of ODA should be improved by various means, including the leveraging of private-sector investments from national and external sources, which could be achieved by co-financing and other partnership arrangements. The effectiveness of ODA could also be enhanced by tailoring it to the specific needs and circumstances of developing countries.

38. The Working Group emphasized that bilateral aid agencies, United Nations agencies, funds and programmes, the Bretton Woods institutions and other multilateral financial institutions should become more proactive in promoting sustainable development, and should enhance their cooperation and coordination efforts to increase their effectiveness in meeting the objectives of Agenda 21, particularly the mobilization of financial resources, including through collaboration with host countries on the formulation and implementation of national sustainable development strategies. In structural adjustment programmes, for example, authorities in developing countries were encouraged to give more consideration to their economic, social and environmental impacts, taking into account Commitment 8 of the Copenhagen Declaration adopted at the World Summit for Social Development. 5/

39. The Working Group acknowledged the positive aspects of the expansion of foreign private capital flows to some developing countries, while at the same time expressing concern about their volatility, distribution across countries and real contribution to sustainable development. It was recognized that the increase, widespread distribution and sustainability of foreign private capital to all developing countries depended, to a considerable extent, on national sustainable development strategies, including appropriate national economic and social policies, as well as on a conducive international economic environment.

40. The Working Group recognized that a variety of political, economic, social and environmental factors, including the profit orientation of private investors and the need for stable and conducive conditions for investment, together influenced the effective fostering of sustainable development through foreign private capital flows to developing countries.

41. The Working Group emphasized that foreign private capital flows should complement but not substitute ODA, and stressed the need to conduct a deeper analysis in order to better understand their social, distributional, economic and environmental impacts of such flows on sustainable development.

42. The Working Group emphasized that the ability of developing countries to attract private flows also depended on enhancing international cooperation to establish a durable solution to the external debt problem of developing countries. Taking account of General Assembly resolution 50/92, in particular, operative paragraphs 13, 14, 20 and 21, consideration should be given to comprehensive approaches to assisting low-income developing countries with substantial multilateral debt problems, through the flexible implementation of existing instruments and new mechanisms, where appropriate.

43. The Working Group also stressed the need to further examine the potential of debt-for-nature and debt-for-development swaps and related mechanisms for assisting in the financing of sustainable development.

C. Mobilizing national financial resources for sustainable development

44. Some countries had shown considerable progress in mobilizing domestic financial resources, as complemented by external financial resources, as well as in implementing economic instruments and adopting other policy measures. However, external resources, including ODA, remained essential for achieving sustainable development in developing countries, particularly in least developed countries.

45. The Working Group emphasized the importance of the participation of the private sector in sustainable development, in particular through increased investments, and emphasized that policies that promoted such participation also promoted foreign direct investment. In particular, sound and predictable macroeconomic and environmental policies at the national and international levels reduced risk for private investors. Such national policies should be promoted as part of national sustainable development strategies. In addition, trade liberalization and an appropriate legal framework that protected private property rights were required. Governments should also strive, as appropriate, to develop their domestic financial markets to strengthen national saving capacity and mobilize resources effectively; to that end, cooperation with bilateral aid agencies and relevant international organizations could be considered. The Working Group noted that the financial services industry was gaining in importance in the environmental management practices of its business clients. The Group welcomed the initial work of UNEP in that field, and suggested that UNEP further disseminate two recent statements on the banking and insurance services industries.

46. The Working Group stressed the need to promote the creation of favourable conditions for achieving stability in international private capital flows and preventing the destabilization that resulted from swift movements of private capital flows.

47. To further promote private-sector participation, innovative mechanisms, such as build-operate-transfer (BOT) and similar mechanisms, should be utilized more widely for financing infrastructure projects for sustainable development. Furthermore, the privatization of public enterprises and contracting out of

services should be fostered, as appropriate, taking into consideration the different conditions and circumstances of countries.

48. The Working Group noted that the application of economic instruments in a number of countries generally yielded satisfactory results in practice, and encouraged Governments to consider, on a voluntary basis, the gradual implementation of such instruments, based on practical experience of a number of countries. Since social and distributional impacts were difficult to measure, however, the Working Group encouraged the further study of such effects and sharing of national experiences in that area. For example, countries could be invited to report to the Commission on their experiences concerning the economic, social and other effects of environmental taxes.

49. Studies on the impact of subsidies on sustainable development should be further promoted to provide a better basis for policy makers to identify and gradually abolish subsidies that had clear negative impacts on economic efficiency and contributed to environmental degradation. Such studies, inter alia, should assess the economic, social, distributional and environmental impacts of subsidy reduction, taking into account the specific circumstances of developing countries.

50. The Working Group recognized the need to study the potential impacts of ecological tax reform on international competitiveness, including impacts related to subsidy reduction and national environmental taxes. To that end, studies should continue to be pursued to examine the viability, practicality and modalities of efforts, including voluntary step-by-step international consultations, as appropriate, that would facilitate ecological tax reforms to promote sustainable development.

51. The Working Group emphasized that pollution abatement funds (PAFs) should improve their performance by greater use of project evaluation techniques. Cost-sharing by recipients of PAFs and gradually reducing the concessional element in the terms of disbursement should also be considered. As to conservation trust funds, a detailed cross-country performance review should be undertaken to identify how such funds could be made more cost-effective mechanisms for environmental conservation. Such a review should contain recommendations for simplifying the administrative framework of such funds, as well as strategies for leveraging their financial resources with other sources of financing.

D. Feasibility of innovative mechanisms for financing sustainable development

52. The Working Group discussed the feasibility of various innovative mechanisms for financing sustainable development and contributing to meeting the needs of developing countries, including an internationally agreed tax on air transport, international carbon taxes, activities implemented jointly as they related to the United Nations Framework Convention on Climate Change (A/AC.237/18 (Part II)/Add.1 and Corr.1, annex I), and tradeable carbon dioxide permit schemes. The Tobin tax was also considered. The Working Group emphasized that it was important to examine the feasibility of such mechanisms,

including by broadening the scope of examination to encompass all aspects - economic, social and environmental - of sustainable development, while pursuing efforts to increase ODA, replenish the Global Environment Facility (GEF) in a substantial way and encourage private-sector investment. The Working Group noted that there might be other innovative mechanisms that needed to be considered in such studies, including in the area of international transportation of oil, toxic substances and hazardous materials. In addition, the Working Group stressed the importance of continuing studies on the possible roles of insurance companies and alternative banking in facilitating the financing of sustainable development in developing countries.

53. The Working Group noted the progress that had been made in clarifying many technical issues related to such mechanisms, and encouraged the continuation of studies involving the World Bank, the International Monetary Fund, OECD, UNCTAD, UNDP, UNEP, the International Civil Aviation Organization and other institutions so as to ensure further progress towards understanding the prospects for and requirements of practical implementation.

54. The Working Group welcomed the decision of the Economic and Social Council to include an agenda item entitled "New and innovative ideas for generating funds" at its substantive session of 1996, and recommended that the report of the Third Expert Group Meeting on Financial Issues of Agenda 21 be made available for the discussion of the item by the Council.

E. Financing the transfer of environmentally sound technologies

55. The Working Group emphasized that financing for environmentally sound technologies (ESTs) should come from national public and private resources; external resources, such as ODA and foreign direct investment; and innovative mechanisms, such as venture capital and trust funds. In pursuance of chapter 34 of Agenda 21, in particular, paragraph 34.14 (b), as well as to meet the needs of developing countries, technology transfer efforts should be enhanced within a stable and predictable economic environment that would ensure the identification and development of markets for ESTs, supported by appropriate national and international economic policies. Cooperating, where appropriate, with bilateral aid agencies, international organizations and financial institutions, Governments should also endeavour to formulate and implement an appropriate legal framework for protecting intellectual property rights, taking into account the special needs of developing countries. International organizations, in particular financial institutions, should assist Governments in developing and implementing technical assistance programmes that helped buyers and sellers of technology to identify each other, reduced pre-investment costs by providing technical, financial, and legal expertise, and identified and supported projects that demonstrated and commercialized ESTs in specific sectors. Finally the Working Group reiterated the need to conduct further studies on the practical feasibility of establishing EST right banks and other publicly funded intermediaries for technology transfer in particular to assist developing countries in gaining ready access to ESTs and promoting markets for local technologies.

F. Matrix of policy options and financial instruments

56. While expressing some reservations on the use of economic instruments, the Working Group encouraged the conduct of further work on the matrix approach, such as the incorporation of quantitative assessments, including the revenue potential of economic instruments and their potential for contributing to meeting the objectives of sustainable development. In addition, it recommended the development of a matrix that would provide a detailed overview of the use of economic instruments in different groups of countries. The matrix approach could provide a format or framework for the voluntary exchange of national experience and information among member States on the costs and benefits experienced in the application of different instruments. It could also be desirable to broaden the coverage of the matrix by including, in so far as practicable, such issues as enhancing the rights of and benefits to traditional and indigenous holders of technology, and the use of global commons.

IV. ORGANIZATIONAL MATTERS

A. Opening and duration of session

57. The Working Group met at United Nations Headquarters from 4 to 8 March 1996, in accordance with Economic and Social Council decision 1995/235 of 17 July 1995. The Working Group held 9 meetings (1st to 9th).

58. The session was opened by the Vice-Chairman of the Commission on Sustainable Development, Mr. Takao Shibata (Japan).

59. The Under-Secretary-General for Policy Coordination and Sustainable Development of the United Nations Secretariat made an opening statement.

60. The Chairman of the Working Group, Mr. Lin See-Yan (Malaysia), made a statement.

B. Attendance

61. Representatives of 32 States members of the Commission on Sustainable Development attended the meetings of the Working Group. Observers for other States Members of the United Nations and for non-member States and the European Community, representatives of organizations of the United Nations system and observers for intergovernmental and non-governmental organizations also attended. A list of participants is contained in the annex to the present report.

C. Election of officers

62. At the 1st meeting, on 4 March, the Working Group re-elected by acclamation Mr. Lin See-Yan (Malaysia) as Chairman.

D. Agenda and organization of work

63. At the 1st meeting, on 4 March, the Working Group adopted the provisional agenda (E/CN.17/ISWG.II/1996/1). The agenda read as follows:

1. Adoption of the agenda and other organizational matters.

2. Changing consumption patterns (Agenda 21, chapter 4).

3. Financial resources and mechanisms (Agenda 21, chapter 33).

4. Other matters.

5. Adoption of the report of the Working Group.

E. Documentation

64. The Working Group had before it the report of the Secretary-General entitled "Financial resources and mechanisms for sustainable development: overview of current issues and developments" (E/CN.17/1996/4 and Add.1), and the report of the Secretary-General on changing consumption and production patterns (E/CN.17/1996/5 and Add.1), as well as a number of background papers.

Notes

1/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigenda), resolution 1, annex II.

2/ A defined environment's maximum persistently supportable load, usually expressed in terms of population numbers of a defined species, definition contained in the final report of an OECD workshop on the theme "Sustainable consumption and production: clarifying the concepts", held in Rosendal, Norway, 2-4 July 1995.

3/ The capacity of the biosphere's environmental functions to support human activities, sometimes defined at a national or per capita level according to a "global fair shares" principle, definition contained in ibid.

4/ The area of land functionally required to support a community which lies beyond the land occupied by that community, definition contained in ibid.

5/ See Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995 (A/CONF.167/9), chap. I, resolution 1, annex I.

Annex

ATTENDANCE

Members

Antigua and Barbuda:	
Australia:	Joanne Disano, Sean Sullivan, Karen Lanyon, Mark Gray
Bahamas:	
Bangladesh:	
Barbados:	
Belarus:	
Belgium:	Alex Reyn, H. Brauwers, G. Pichot, L. Coppens, N. Gouzee, J. Engelen, J. De Mulder
Benin:	Joel Adechi, Damien Houeto, Rhétice F. Dagba, Rogatien Biaou, Bienvenu E. Accrombessi, Pascal I. Sossou, Paul H. Houansou
Bolivia:	
Brazil:	Henrique Valle, Leonel Graca Generoso Pereira, Eduardo Paes Saboia
Bulgaria:	
Burundi:	
Canada:	Claud Baillargeon, Brigita Gravitis, Jennifer Irish, Henry Pawlak, James Riordan, Guy Rochon, Alain Tellier, Carmel Whelton
Central African Republic:	
China:	Wang Baoliu
Colombia:	Julio Londoño, Jairo Montoya, Paula Caballero, Bibiana Vargas, Maria Fernanda Acosta
Ethiopia:	
Finland:	Taisto Huimasalo, Jaakko Halttunen, Camilla Lommi-Kippola, Minna Wilkki

France:	Marc Vedele, Mauricette Steinfelder, Philippe Delacroix
Gabon:	
Germany:	Hans Peter Schipulle, Ortwin Gottsmann, Rainald Roesch, Knut Beyer, Andreas Kruger, Peter Christmann
Ghana:	D. K. Berkoh
Guinea:	
Guyana:	S. R. Insanally, G. Talbot, K. Simon
Hungary:	
India:	Arun K. Singh
Iran (Islamic Republic of):	Mohammad Reza H. K. Jabbary
Italy:	Francesco Paolo Fulci, Giusepe Jacoangeli, Alberto Colella, Francesco Genuardi, Paola Pettinari, Roberto Malaman
Japan:	Takao Shibata, Toshiko Ohga
Malaysia:	Lin See Yan
Mexico:	Gerardo Lozano, Oscar Manuel Ramirez Flores, Jonathan Edward Ryan, Luisa Montes, Margarita Paras, Uises Canchola
Morocco:	Ahmed Snoussi, Ahmed Amaziane
Mozambique:	
Netherlands:	A. P. Hamburger, J. J. Neeteson, M. K. de Jong, G. A. C. M. Braken, C. W. M. Lander, R. Droop, B. de Leeuw, H. Th. H. Verheij, R. H. Dekker
Pakistan:	Ahmed Kamal, Muhammad Zafarullah Khan, M. Masood Khan, Navid Hamif
Papua New Guinea:	Utula U. Samana, Max H. Rai, Kappa Yarka, Adam V. Delaney, Francis Mangila
Peru:	Ana Peña, Italo Acha
Philippines:	Felipe Mabilangan, Cecilia B. Rebong, Eugenio Inocentes, Glenn F. Corpin

Poland:	Jan Woroniecki, Czeslaw Wieckowski, Leszek Banaszak, Joanna Wronecka, Anna Raduchowska-Brochwicz, Dariusz S. Stanislawski
Russian Federation:	Andrey Melekh
Saudi Arabia:	
Senegal:	
Spain:	Arturo Laclaustra, Alicia Montalvo, María José Gomez, Carlos Dominguez, Amparo Rambla, Miguel Aguirre de Carcer
Sweden:	Michael Odevall, Svante Bodin, Ulf Svensson, Anders Berntell, Per Enarsson, Ulf Ottosson, Marcela Petkov, Maria Sargren
Switzerland:	Yvonne Baumann
Thailand:	Oraphin Wongchumpit, Apichai Chvajarernpun, Manopchai Vongphakdi, Gregory B. Votaw
Uganda:	
Ukraine:	
United Kingdom of Great Britain and Northern Ireland:	John Weston, Stephen Gomersall, Ann Grant, Victoria Harris, Peter Unwin, Alan Simcock, Donald Maclaren, Peter Dearden, Anthony Smith, Chris Tompkins
United Republic of Tanzania:	
United States of America:	John McGuinness, Donald Brown, Bisa Williams-Manigault
Venezuela:	
Zimbabwe:	

States Members of the United Nations represented by observers

Algeria, Armenia, Austria, Costa Rica, Côte d'Ivoire, Cuba, Czech Republic, Denmark, Egypt, Indonesia, Ireland, Jamaica, Kenya, Norway, Panama, Portugal, Republic of Korea, Republic of Moldova, Saint Lucia, Samoa, Slovakia, South Africa, Tunisia, Turkey and Viet Nam

Non-member States and entities represented by an observer

European Community

United Nations Secretariat

United Nations Environment Programme

Specialized agencies

Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Health Organization, International Monetary Fund, World Meteorological Organization, United Nations Industrial Development Organization, International Atomic Energy Agency

International organizations

Organisation for Economic Cooperation and Development

Non-governmental organizations

International Chamber of Commerce (category I), Friends of the Earth (Roster), Netherlands National Committee for IUCN, Women's Environment Development Organization (accredited to the Commission on Sustainable Development)